



# Iowa Department of Human Services

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## INFORMATIONAL LETTER NO.1220

**DATE:** March 20, 2013

**TO:** Iowa Medicaid Hospice Agencies and Nursing Facilities

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**SUBJECT:** Iowa Medicaid Hospice Reminders

**EFFECTIVE:** Immediately

The purpose of this letter is to provide information relating to frequently asked questions concerning hospice billing.

### No Bed Hold Payments

The IME does **not** pay for hospice bed hold days effective December 1, 2009. Please refer to Informational Letter No. [905](#) dated May 13, 2010, for further information.

The hospice provider manual states that “the nursing facility and the Medicaid-enrolled hospice program have entered into a written agreement under which the hospice program takes full responsibility for the professional management of the recipient’s hospice care and the facility agrees to provide room and board to the resident. A copy of the written agreement shall be filed in recipient’s records.”

As such, any bed hold payments due to the nursing home outside of the Iowa Medicaid defined payable bed hold dates are strictly a result of the agreement between the nursing facility and the hospice provider. On occasion, some hospice providers agree to pay the nursing facility bed hold days in that contract or agreement. Any agreement made to pay bed hold days is solely between the hospice provider and nursing facility.

### Room and Board Payments

The room and board payment rate (Revenue Code 658) for hospice residents living in a nursing facility is ninety-five percent (95%) of the associated nursing facility’s base rate.

The cumulative rate sheets list the rates for all nursing facilities and are published on the IME website at <http://www.ime.state.ia.us/Providers/NursingFacilityRates.html>.

When billing the IME for Revenue Code 658, the hospice agency receives direct reimbursement for the room and board and, in turn, will compensate the nursing facility for the room and board reimbursement.

In the event that the nursing facility is under sanction with Medicaid, the per diem rate may not pay the amount listed on the cumulative rate sheets. If a nursing facility is sanctioned,

Medicaid will reduce the nursing facility's rate during the sanction period and the hospice agency will receive room and board reimbursed at the reduced rate for the number of days that the sanction is applied. If the room and board per diem did not pay according to what is listed on the website, please check with the nursing facility regarding possible sanction.

### **Wage Index**

The wage index rate is paid to hospice providers for routine home care (Revenue Code 651) or continuous home care (Revenue Code 652). The hospice agency receives direct reimbursement for routine home care by billing claims with Revenue Code 651 or 652 to Medicaid based on the wage index rate. Annual updates to the wage index are published in the Federal Register. The Federal Fiscal year always begins on October 1 and the current wage index rates are published on the IME website at:

[http://www.dhs.state.ia.us/uploads/1175\\_Att\\_10-12Rateswageadjustedforpublicuse.pdf](http://www.dhs.state.ia.us/uploads/1175_Att_10-12Rateswageadjustedforpublicuse.pdf).

When figuring the wage index rate for routine home care or continuous home care, the county of residence for the member must be used. If a Medicaid member has elected hospice and resides in a nursing home, the county in which the nursing home is located is considered the member's county of residence.

Respite care is also paid based on wage index. For Rev Codes 655 and 656, wage index is figured using the county wage index rate of the enrolled hospice provider that is billing the service. Since billing for hospice inpatient respite is based on the locality of the hospice provider, the member's county of residence is not applicable nor is the locality of the inpatient respite setting. The county in which the hospice agency is located must be used.

### **Additional Information**

Questions relating to this Informational Letter may be directed to the IME Provider Services Unit at 1-800-338-7909, locally at 515-256-4609 or by email at:

[imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).